

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/247837409>

Born Global or Gradual Global? Examining the Export Behavior of SMEs

Article in *Journal of International Marketing* · September 2002

DOI: 10.1509/jimk.10.3.49.19540

CITATIONS

679

READS

4,138

2 authors:



Øystein Moen

Norwegian University of Science and Technology

50 PUBLICATIONS 4,427 CITATIONS

SEE PROFILE



Per Servais

Linnaeus University, Kalmar Sweden

55 PUBLICATIONS 4,994 CITATIONS

SEE PROFILE

Born Global or Gradual Global? Examining the Export Behavior of Small and Medium-Sized Enterprises

Over the past decade, several studies have questioned the stage models of the internationalization process. Many of these studies concentrate on the exporting versus nonexporting factor, identifying an increasing number of firms that are active in international markets shortly after establishment. Limited empirical evidence exists as to whether this actuality indicates simply a reduced time factor in the preexport phase or an important change in the export behavior of firms. Using small and medium-sized exporting firms from Norway, Denmark, and France, the authors focus on the concept of gradual development. The results suggest that export intensity, distribution, market selection, and global orientation are not influenced by the firm's year of establishment or first year of exporting activity. One-third of the firms sampled reported that the time period between establishment and export commencement was less than two years. In terms of export intensity, these firms outperform those that waited several years before exporting. The results indicate that the future export involvement of a firm is, to a large extent, influenced by its behavior shortly after establishment. The results further indicate that the development of resources in support of international market competitiveness may be regarded as the key issue and that the basic resources and competencies of the firm are determined during the establishment phase. The authors review how the management challenges differ depending on the type of firm (age and export involvement) in question.

In many studies, the international involvement of a firm has been described as a gradual development process (Bilkey and Tesar 1977; Cavusgil 1980; Johanson and Vahlne 1977). According to Johanson and Vahlne (1990, p. 11), internationalization is "a process in which the enterprise gradually increases its international involvement. This process evolves in the interplay between the development of knowledge about foreign markets and operations on one hand and increasing commitment of resources to foreign markets on the other." On the basis of a review of the literature dating from the first presentation of the Uppsala internationalization model, Johanson and Vahlne (1990) conclude that their original model had strong theoretical and empirical support. Aaby and Slater (1989) present an extensive literature review, stating that the existence of a gradual development

ABSTRACT

**Øystein Moen and
Per Servais**

Submitted October 2000

Revised November 2001

© *Journal of International Marketing*

Vol. 10, No. 3, 2002, pp. 49–72

ISSN 1069-031X

process is one of the few solid conclusions in international marketing research. In his assessment of the stage models, Andersen (1993, p. 227) notes that both the Uppsala internationalization model and the innovation-related internationalization model have “general acceptance in the literature.”

However, in the past decade, studies have focused on what have been termed “international new ventures” (McDougall, Shane, and Oviatt 1994), “born globals” (Knight 1997; Knight and Cavusgil 1996; Madsen and Servais 1997), “instant internationals” (Preece, Miles, and Baetz 1999), or “global startups” (Oviatt and McDougall 1994). These studies focus on firms that are heavily involved in exporting from the time they are established. Such firms are found in large numbers in several countries, including the United States, Australia, Norway, France, Denmark, and Canada. In-depth discussions of the major driving forces that enhance the establishment of these firms have been presented by Madsen and Servais (1997), as well as Knight and Cavusgil (1996). The empirical results and theoretical reasoning in many of these studies question the concept of a gradual internationalization process through various stages. As expressed by Knight and Cavusgil (1996, p. 17), “the Born Global phenomenon presents an important new challenge to traditional internationalization theory.” McDougall, Shane, and Oviatt (1994, p. 476) conclude that the stage theory “has failed to provide an appropriate explanation for why International New Ventures compete internationally rather than just in home markets.”

This new stream of studies that has emerged over the past decade questions one of the established “truths” of international marketing research. Building on a three-country empirical investigation, the aim of our study is to examine a key element of the stage models—the existence of a gradual development. To examine this issue, we present a more detailed description of the stage models. Furthermore, we include some critical studies and empirical results that question the stage models, and we give special attention to studies that focus on what have been described as “born global” firms.

THE INTERNATIONALIZATION PROCESS MODELS

Andersen (1993) distinguishes between the Uppsala internationalization model and the innovation-related internationalization model, stating, however, that these two approaches are closely related. In the innovation-related models, internationalization is considered an innovation of the firm. Management’s learning is important (Bilkey and Tesar 1977); the slow nature of the learning process is due to management’s aversion to risk taking and a lack of knowledge. Different development stages have been presented. An example is Cavusgil’s (1980) model, which differentiates among domestic marketing, preexport stage, experimental involvement, active involvement, and committed involvement. Bilkey and Tesar

(1977) and Czinkota (1982) have presented other classifications of the stages.

The Uppsala model focuses on acquisition, integration, the use of knowledge about foreign markets, and an increasing commitment and resource allocation to the markets, including the state and change aspects. The state aspects include knowledge about foreign markets and the resources allocated to those markets, and the change aspects include the decisions made about the commitment of resources and the activities performed in these markets. A primary rationale is that the firm will commit itself through incremental steps to gradually build experience and reduce the risk involved in exporting. The process is described as evolutionary and cyclical: The firm's behavior is influenced more by internal and environmental conditions than by a deliberate development of strategies. According to Johanson and Vahlne (1990), the process model explains two patterns. The first is the type of engagement. Johanson and Vahlne (1990, p. 13) describe it thus: "at the start no regular export activities are performed in the market, then export takes place via independent representatives, later through a sales' subsidiary, and eventually manufacturing may follow." The second pattern Johanson and Vahlne explain is the successive choice of more *psychically* distant markets. However, the authors also indicate that other manifestations of the process model may exist. Their arguments implicitly assert that a time-dependent increase in the export intensity of the firm could be expected—as the firm first builds its national activities and then gradually increases export involvement. According to the model, the aspects determining the incremental nature of the process are related to two factors: lack of market knowledge and uncertainty associated with the decision process.

Johanson and Vahlne (1990) include references for a great deal of the literature that focuses on the internationalization process of the firm. They find that many studies fundamentally support the stage model. Some studies mentioned take a more negative view; however, Johanson and Vahlne (1990, p. 14), when examining the literature, conclude that "overall, the model has gained strong support in studies of a wide spectrum of countries and situations. The empirical research confirms that commitment and experience are important factors explaining international business behavior."

Some criticism of the stage models has been presented. Turnbull (1987) illustrates that many U.K. exporters do not follow a stage development in their international activities. Hedlund and Kverneland (1985) study Swedish firms in Japan, concluding that their behavior is not in accordance with the Uppsala model. They suggest that because of the internationalization of markets, market knowledge has increased and

Criticism of the Process Models

uncertainty has then decreased, which makes the basic mechanisms of the Uppsala model less important than they had been in the past. In a comment on Hedlund and Kverneland's study, Johanson and Vahlne (1990) state that their results are consistent with the process model, indicating a misfit between the discussion and the empirical results in Hedlund and Kverneland's (1985) article. In a nationwide study of small U.S. manufacturers, Brush (1992) finds that 13% of the sample commenced international activities during the first year of operation. In an Australian study, Rennie (1993) identifies several firms whose management views the world as its marketplace right from the birth of the company. Knight and Cavusgil (1996) even show that studies from the late 1970s have documented examples of internationalization patterns similar to those of born globals in different countries.

One development during the past decade is that much of the criticism directed at the stage models focuses on newly established high-involvement exporters. Because the studies focusing on these firms are especially important in the discussion of the process models, we provide a more detailed presentation next.

The Concept of Born Globals

The interest in born globals started early in the 1990s, and an increasing number of publications focused on this issue throughout the decade. One of the first attempts to summarize the literature was presented by Oviatt and McDougall (1994, p. 47), who conclude, "collectively, these case studies indicate that international new ventures are an important phenomenon. They have identified the formation of international new ventures in more than ten countries in all parts of the world, suggesting that global forces may be promoting their development."

Oviatt and McDougall (1994, p. 49) focus on newly created firms and define an international new venture as "a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources from and the sale of outputs in multiple countries." This definition is in accordance with that of Knight (1997, p. 1), who defines a born global company as "a company which, from or near its founding, seeks to derive a substantial proportion of its revenue from the sale of its products in international markets." Other terms describing the same phenomenon have been used, including "instant internationals" and "global start-ups."

In their study of 24 born globals, McDougall, Shane, and Oviatt (1994) conclude that the stage models fail to provide an appropriate explanation of why such firms operate in international markets rather than just in their home markets. Regarding the governance structure of activities, McDougall, Shane, and Oviatt claim that there are key differences be-

tween established firms and start-up firms because of the amount and source of resources. The latter type of firms will have only few resources left for expensive investments in distribution channels, for example; therefore, in comparison with established firms, the entrepreneur must rely more on hybrid structures for controlling sales and marketing activities (e.g., close personal relationships, joint ventures).

This is in accordance with Bell's (1995) findings in his study of small computer software firms, in which he finds that existing internationalization models do not adequately reflect the underlying factors of the internationalization processes in these firms. He finds that the process is strongly influenced by domestic and foreign client patronage, the targeting of niche markets, and industry-specific consideration rather than the psychic distance to export markets. He also finds little support for the notion that firms progress systematically from exporting to other market entry modes, even though he finds an increasing commitment to exporting among the responding firms. Finally, not all firms establish themselves with domestic sales before starting foreign sales. According to Bell (1995), this could be due to the entrepreneurs' prior experiences or to entrepreneurs' tendency to initiate exports when searching for suppliers abroad.

In contrast to Oviatt and McDougall (1994), Rennie (1993) focuses on already established firms, especially small and medium-sized enterprises. In a study conducted for the Australian Manufacturing Council that covers 310 firms, Rennie splits the emerging exporters into two categories. The first one consists of more traditional, domestic-based firms, accounting for approximately 75% of the total sample. Firms in this category typically build a strong domestic base before exporting. On average, they have been in business 27 years when they first export, and they reap 15%–20% of sales in foreign markets. The second category is born globals; they export 75% of their total sales, starting after less than 2 years of operation. They generally produce leading-edge technology products for significant international niche markets, such as scientific instruments or machine tools. Rennie (1993) describes them as competing on quality and value created through innovative technology and product design. The mainstream born global of this study is close to its customers, flexible, and able to adapt its products to the rapidly changing needs and wants.

The latter findings are somewhat in contrast to those of Jolly, Alahuhta, and Jeannet (1992), who conclude that high-technology start-ups must choose a business area with homogeneous customers and minimal adaptation in the marketing mix. The argument is that these small firms cannot take a multidomestic approach as large firms can, simply because

they do not have the sufficient scale in their operations worldwide. They are vulnerable because they are dependent on a single product, which they must commercialize in lead markets first, no matter where such markets are situated geographically. The reason is that such markets are the keys to broad and rapid market access, which is important because the fixed costs of these firms are relatively high. Because this is the key factor influencing the choice of the initial market, the importance of psychic distance in the market selection criterion is reduced. Often, these firms govern their sales and marketing activities through a specialized network in which they seek partners that complement their own competence; this is necessary because of the firms' limited resources.

Recent research carried out in the Nordic countries by Lindmark and colleagues (1994) also demonstrates the existence of born globals. Based on a study of 328 exporters from Finland, Norway, Sweden, and Denmark, the research concludes that the firms' domestic markets no longer seem to be as important a "learning place" as previous studies have demonstrated. From Canada, Preece, Miles, and Baetz (1999) report a tendency toward an increasing number of instant internationals. In a longitudinal study (1985–93) of 948 newly established firms in Denmark, Christensen and Jacobsen (1996) report that a rising number of these firms began exporting within their first years of existence. The authors conclude (p. 7) that different firms have different routes to internationalization "based on differences in established contacts and knowledge acquired prior to the initiated new business." Market knowledge; the personal network of the entrepreneur; international contacts; and experience transmitted from former occupations, relations, and education are examples of such international skills obtained before the birth of the firm.

Also from Scandinavia, Moen (2002) finds that the export intensity of the newly established Norwegian exporters is often remarkably high. In his study, the average export share of exporting firms established after 1990 is 65%, and more than 50% of newly established exporters have an export share higher than 25%.

Madsen and Servais (1997) discuss the factors giving rise to born globals and conclude that this group of firms should be expected to grow in number and importance throughout the years to come. Developments in information technology, new and flexible production technology, the increased importance of niche marketing, the number of students gaining international experience, and the reduction of trade barriers are all examples of the factors contributing to the increasing number of born globals. In-depth discussion of these factors is provided by Knight (1997), Knight and Cavusgil (1996), and Madsen and Servais (1997).

One possible explanation is that because many industries are “globalized,” the uncertainty described in the Uppsala and innovation-related models is less important than before. Hedlund and Kverneland (1985) have expressed this view. It follows that globalization on the industrial level may be one of the reasons for the change found in the export behavior of small and medium-sized firms over the past decade.

Both the Uppsala model and the innovation-related internationalization model describe a gradual development pattern, based on lack of knowledge and uncertainty (Andersen 1993). Most of the studies focusing on the born globals phenomenon concentrate on whether the firms are exporting versus nonexporting, supplying empirical evidence related to a more rapid start-up of international activities (a short time after establishment) in many firms. However, few of the studies investigate the development stages after export involvement. Therefore, two scenarios must be considered: First, it is possible that the factors described as giving rise to the born globals are those that most significantly reduce the time from firm establishment to initial export involvement. If this is the case, a stage development may still exist related to operational forms, for example. In situations such as this, in which the stage models may still be valid, what we have observed could be characterized as a change in the time factor related to the initial (pre-export) stages. The contrasting second scenario would be that several factors have rendered the stage models inadequate in explaining the export behavior of firms. In keeping with this hypothesis, we expect firms to choose the distribution form most suitable in their industry, choose the most attractive markets regardless of psychic distance, and have a strong international orientation right from establishment.

If there is indeed a gradual development process, the articles that present the original Uppsala model suggest that this development would be reflected in the firm’s distribution method and would be evident from an examination of the psychic distance of a firm’s export markets (Johanson and Vahlne 1977, 1990). Implicitly, it should also be expected that the global orientation of managers would increase during the process. In addition, it might be expected that both the number of countries exported to and the export intensity would be different for firms in different development phases. The firms that have operated in international markets for a longer period of time would be expected to serve more markets and achieve a higher percentage of sales outside their home markets. Also, the innovation-related models append expectations that firms will export to an increasing number of countries, gradually expand operations to more psychologically distant markets, and develop their international orientation and commitment—as well as increase export intensity, as expected from the stage development model (Bilkey and Tesar 1977).

THE HYPOTHESES

On the basis of the widely accepted nature of the process view of internationalization, we expect that

- H₁: There is a gradual development in the type of distribution used.
- H₂: There is a gradual development in the distance to the markets served.
- H₃: There is a gradual development in the number of markets served.
- H₄: There is a gradual development toward stronger global orientation.
- H₅: There is a gradual development in the export intensity of the firm.

This study does not focus on the preexport phase or foreign direct investments. The issue addressed is the identification of manifestations of a gradual development among small and medium-sized exporting firms. This includes an analysis of how a firm's first year of exporting, year of establishment, and time period between establishment and export activity commencement are related to distribution forms, export intensity, number of export markets, management's international orientation, and export market selection. If we find no difference when comparing the manifestations implicitly or explicitly described in the stage models with time-related factors such as a firm's year of establishment or first year of exporting, the indication will be that we need to develop better theories to explain the export behavior of firms.

METHODOLOGY

Most international marketing research builds on samples from one nation. This inhibits the researcher's ability to generalize the results. In this study, we include data from three European countries: Norway, France, and Denmark. In total, this study builds on returned questionnaires from 677 firms. Both Norway and Denmark are small countries in the northern part of Europe. An important difference between the two countries is that popular elections in Norway have twice resulted in a majority vote in opposition to joining the European Union. Both Denmark and France are members of the European Union. France is different from the two other countries in terms of both language and culture and has a population approximately ten times larger than either Norway or Denmark. In Norway and France, the main section of the questionnaire is a translation of a questionnaire that was previously used in the United States (Knight 1997). The Danish survey covers most of the issues addressed in the other samples, though the questions are expressed somewhat differently. It should be noted that the Danish data do not include the various aspects of global orientation, nor do they include the question about the number of markets served.

In Norway and France, questionnaires were addressed to top managers in small and medium-sized exporting firms (less

than 250 employees), which were classified as producers. In Denmark, firms within the range of 10–499 employees were targeted. In Norway and France, company classification and address lists were obtained from Kompass Norway and Kompass France databases, and the database CD-Direct was used in Denmark. In Norway, the response rate was 23%, yielding 335 usable returns. In France, 70 usable responses generated a response rate of 5%, and the Danish response from 272 firms yielded a response rate of 48%. Overall, the advantages of having a three-nation survey sample were considered more important than the limited response rate in France and the questionnaire design differences.

All industrial sectors were included in all three national samples. Table 1 gives some key information about the included firms from each nation. As indicated in Table 1, the Danish firms are the largest (in terms of employees and total sales) and oldest and have the highest export involvement; the French firms are smaller and younger and have less export involvement than the firms from both Norway and Denmark.

To test the hypotheses, we included questions regarding the year of establishment, first year of exporting, number of employees, annual total sales, export share, number of countries exported to, and which markets were most important. Focusing on distribution, we asked managers to select which distribution concept they used for the most important products in the most important export market. In Norway and France, the alternatives included direct sales, usage of agents or distributors, sales offices, and joint ventures. The answers revealed that few of these small firms were involved in joint ventures (less than 10 of 405 firms), so joint ventures were subsequently excluded from the analysis. Because some of

MEASUREMENT

	Norway (n = 335)	France (n = 70)	Denmark (n = 272)
Annual Total Sales (1000 Euro)			
Mean	8.008	5.392	16.282
Median	4.142	2.366	9.254
Number of Employees			
Mean	49	33	84
Median	26	18	39
Year of Establishment			
Mean	1960	1970	1955
Median	1970	1981	1966
First year of Exporting			
Mean	1976	1985	1973
Median	1985	1990	1977
Export Share			
Mean	40.8	30.9	48.6
Median	34.3	22.0	50.0

Table 1.
Firm Descriptives

the firms combined more than one method, often direct sales in cooperation with their agents, the summary percentage may be higher than 100. In Denmark, the classification included two groups: direct sales to end users and sales through intermediaries (agents or distributors).

The concept of psychic distance has been important in the development of the stage models, the expectation being that firms start exporting to countries regarded as “close,” later expanding to more distant nations. Stöttinger and Schlegelmilch (1998) investigate both geographic and psychic distance. Both their results and previous studies (Holzmüller and Kasper 1991) show inconsistent results, with great variations in the correlation between these measures. We therefore decided to use both geographic and psychic distance in the study. Focusing on the most important export market of the firm, we classified the market on a 1 to 4 scale regarding the psychic and geographic distance. We based the classification into groups according to psychic distance on Hofstede’s (1980) cultural dimensions. This means that each group is classified differently depending on the country of origin—Norway, France, or Denmark.

In both the Norwegian and French studies, several dimensions of global orientation were included. These were based on the original questionnaire presented by Knight (1997), in which he provides a detailed description of the theoretical base and the testing of these constructs in a U.S. setting. Table 2 presents the coefficient alphas in the Norwegian and French samples regarding the various aspects of global orientation. As Table 2 illustrates, 10 of the 12 alpha scores are higher than .60, indicating satisfactory measure validity.

Classification of the Firms

We classified the firms using three dimensions: year of establishment, first year of exporting, and time period from establishment until export commencement. For the year of establishment, the firms were divided into three groups, established before 1975 (old firms), between 1976 and 1989, and after 1989 (new firms). The division between firms established before versus after 1975 is based on Sengenberger, Loveman, and Piore’s (1990) results. The shift in importance of small and medium-sized firms in the mid-1970s is well documented in their Organisation for Economic Co-operation and Development report. Using numbers from several nations (including, among others, the United Kingdom, the United States, Germany, and France), Sengenberger, Loveman, and Piore find both a growing number and an increasing importance of small firms after 1975. The division between 1989 and 1990 is founded on the studies that describe the emergence of born globals, which report that many of the main driving forces for the establishment of these firms are evident beginning in the late 1980s. Furthermore, we

International Orientation	Alpha (Norway)	Alpha (France)
International commitment (adequacy of financial investments, sufficiency of human resources)	.62	.56
International vision (world as marketplace, communicates mission to succeed in export markets, focused on developing resources)	.78	.81
International proactiveness (culture for exploring opportunities, boldness in decision making, conservativeness in international environment)	.61	.54
International customer orientation (understanding needs, success by satisfying needs, after-sales service)	.68	.71
International responsiveness (communicates customers experiences, responds quickly, discusses strengths and weaknesses, understand how to create value)	.74	.66
International marketing competence (knowledge of customers, product adaptations, effective pricing, effective advertising, effective distribution, ability to use marketing tools for differentiation)	.76	.80

Table 2.
Description of the Indexes:
Cronbach's Alphas for the
Norwegian (n = 335) and
French (n = 70) Samples

used the same year markers as previously to classify the firms according to their first year of exporting and divide them into groups. On the basis of this classification, some of the firms may be old according to year of establishment but new as exporters according to their first year of exporting. The third classification addresses the time between establishment and the first year of exporting, grouping the firms as born globals (those that began exporting within less than two years after establishment), average-time exporters (three to ten years), and late starters (more than ten years). Table 3 presents the number of firms in each group and classification.

Two observations must be made on the basis of Table 3. First, a large number of firms (ranging between 30.7 and 38.8%) in all three nations began exporting within two years of their establishment. As many as one of three firms from these nations began exporting less than two years after establishment. Second, the French sample includes a larger number of firms established late that began exporting within the past decade than do the Norwegian and Danish samples.

We performed the analysis using a one-way analysis of variance in SPSS 9.0. It should be noted that we decided to mark statistically significant differences even though they were in the opposite direction of the hypothesis. The first issue addressed was the relationship among firm age, first year exporting, and time from establishment until export, with a focus on the export involvement of the firm (export intensity measured as the percentage of sales in international markets).

RESULTS

According to the stage models, we expected that old firms and firms that had exported for a long time would have a higher export involvement than younger firms and firms that had been exporting for a shorter period of time. The results are displayed in Table 4.

The first issue was the influence of a firm's year of establishment on export intensity. As reported in Table 4, no significant differences were found in the samples from Norway and Denmark, but the youngest firms in the French sample had a significantly higher export share than did older firms. Examining the first year of exporting, the results in both Norway and Denmark showed that the firms that began exporting before 1975 had a higher export share than firms that began exporting later. In France, no such effect was found. It is possible to interpret this as part of a gradual process. How-

Table 3.
Number of Firms in Each
Classification Group

	Norway (n = 335)	France (n = 70)	Denmark (n = 272)
Year of Establishment			
1800–1975	57.1%	37.1%	67.4%
1976–89	27.3%	47.0%	24.0%
1990–98	15.7%	15.8%	8.6%
First Year of Exporting			
1800–1975	34.5%	11.9%	46.6%
1976–89	35.1%	37.3%	36.7%
1990–98	30.4%	50.7%	16.7%
Time Before Export (Years)			
0–2	38.8%	34.3%	30.7%
3–10	23.3%	22.4%	21.1%
11–100	37.9%	43.3%	48.2%

Table 4.
Firm Classification
Versus Export Intensity

	Norway (n = 335)	France (n = 70)	Denmark (n = 272)
Year of Establishment			
1800–1975	38.1	20.9	49.0
1976–89	45.6	29.5	48.3
1990–98	43.8	58.9	44.7
F-value	1.84	11.056**	.188
First Year of Exporting			
1800–1975	48.4	15.3	54.8
1976–89	41.6	37.1	47.7
1990–98	32.7	30.1	33.6
F-value	6.242*	2.065	7.562*
Time Before Export (Years)			
0–2	54.3	48.9	58.7
3–10	37.3	26.5	49.2
11–100	30.5	20.2	40.6
F-value	18.787**	10.223**	7.752*

* $p < .01$.

** $p < .001$.

ever, closer examination of the data reveals that the significance of the first year of exporting in Norway and Denmark is due to several old firms that began exporting late, achieving limited export sales. If the old firms (established before 1975) are excluded from the analysis of the first year of exporting, no significant differences occur.

In all countries, there was a strong indication that the time between firm establishment and the first year of exporting is an important indicator of later export intensity. The difference in export share between born globals and late starters was 24%, 28%, and 18% in Norway, France, and Denmark, respectively. It may be that the old firms had established considerable sales in their home markets so that the use of export share would result in an underestimation of their export involvement. Therefore, we also performed the analysis using export sales as the dependent variable. The same results were found. There was no difference in export sales based on year of establishment in Norway and Denmark, and there were higher sales in the newly established French firms. Significantly higher export sales were found in the firms that began exporting early in Norway and Denmark because of the low export sales of the same older firms that began exporting late. Furthermore, the time between establishment and exporting differentiated the groups significantly: The born globals had the highest export sales.

In conclusion, the key element in understanding export involvement on the basis of these results is the time between establishment and the first year of exporting. Old firms trying to export several decades after they are established seem to be “losers” in terms of export intensity and export sales.

The second issue is the differences in global orientation among the managers in the different groups of firms. According to the stage models, older firms and firms that have exported for a long time are expected to score higher with regard to their managers’ global orientation than are newer firms. The results from the Norwegian sample are provided in Table 5. High scores indicate a strong global orientation.

Examining the firm’s year of establishment, we found no significant differences in global orientation. Regarding the first year of exporting, the oldest firms scored higher on proactiveness than firms that began exporting later. Again, in-depth investigation showed that old firms that began exporting many years after establishment were the main reason for this difference. Considering the time between establishment and export activity commencement revealed a significance in terms of international vision, proactiveness, and responsiveness. More precisely, the firms that began exporting shortly after their establishment had the highest

Table 5.
Firm Classification
Versus Global Orientation
(Norway, n = 335)

	Commitment	Vision	Proactiveness	Customer Orientation	Responsiveness	Marketing Competence
Year of Establishment						
1800–1975	4.06	4.86	4.21	5.17	4.67	4.19
1976–89	4.02	5.04	4.39	5.42	4.91	4.33
1990–98	3.83	5.26	4.38	5.21	4.89	4.23
F-value	.640	1.812	.824	2.014	1.966	.865
First Year of Exporting						
1800–1975	4.13	5.11	4.52	5.29	4.81	4.26
1976–89	4.06	4.88	4.20	5.30	4.84	4.23
1990–98	3.88	4.86	4.12	5.10	4.69	4.21
F-value	1.09	1.22	3.49*	1.40	.65	.10
Time Before Export (Years)						
0–2	3.94	5.21	4.58	5.31	4.98	4.28
3–10	4.07	5.20	4.29	5.41	4.81	4.29
11–100	4.06	4.64	4.00	5.10	4.57	4.16
F-value	.359	6.843**	7.483**	2.444	4.893**	.997

* $p < .05$.
** $p < .01$.

scores for these three global orientation dimensions. Table 6 gives the results for the French firms.

Examining the mean values, we find the same tendency as in the Norwegian sample; however, these values are not statistically significant. Only one significant difference was identified, signifying a higher score for international proactiveness among the newly established firms. These results from the Norwegian and French samples do not support a time-dependent development toward increased global orientation; the Danish questionnaire did not include these measures.

Table 7 presents the results pertaining to the use of the different distribution methods included. As explained previously, the percentage may be higher than 100, as some firms use more than one distribution method within the same market—for example, agents combined with direct sales efforts.

All the questions pertain to the most important product in the most important market for the respondent firm. The results are similar for all three nations: There are no significant differences among the groups of firms. Therefore, there is no indication of a time-dependent (gradual) development in distribution forms. As noted in the “Methodology” section, joint ventures were not included, because few firms partook in them—though the inclusion of joint ventures would not have altered the conclusion.

	Commitment	Vision	Proactiveness	Customer Orientation	Responsiveness	Marketing Competence
Year of Establishment						
1800–1975	4.30	4.24	3.31	5.15	4.78	4.62
1976–89	3.83	4.95	3.87	5.04	5.15	4.90
1990–98	4.50	5.42	4.51	5.91	4.98	5.09
F-value	1.501	2.614	4.209*	2.017	.915	.708
First Year of Exporting						
1800–1975	3.94	4.14	3.58	4.71	4.90	4.57
1976–89	4.38	5.36	4.03	5.56	5.16	5.02
1990–98	4.00	4.48	3.60	5.21	4.83	4.82
F-value	.722	3.018	1.607	.703	.610	1.599
Time Before Export (Years)						
0–2	4.41	5.21	4.17	5.58	5.02	4.94
3–10	3.97	4.66	3.71	5.39	5.25	5.22
11–100	4.00	4.48	3.42	4.98	4.76	4.63
F-value	.814	1.436	2.320	1.773	1.134	1.742

* $p < .05$.

	Norway (n = 335)			France (n = 70)			Denmark (n = 272)	
	Direct Sales	Agent or Distributor	Sales Office	Direct Sales	Agent or Distributor	Sales Office	Direct to End Users	Through Intermediaries
Year of Establishment								
1800–1975	52.7	54.4	15.3	61.5	62.2	15.4	43.2	48.5
1976–89	48.3	51.7	20.7	78.8	60.6	12.1	56.1	53.4
1990–98	60.0	48.0	14.2	63.6	62.3	18.2	38.5	47.2
F-value	.873	.341	.741	1.114	.015	.139	1.371	.357
First Year of Exporting								
1800–1975	53.6	50.9	15.5	75.0	74.2	12.5	49.5	48.3
1976–89	52.7	55.4	17.9	72.0	64.0	20.0	52.6	53.0
1990–98	54.6	47.4	17.5	60.5	55.9	8.8	58.7	41.6
F-value	.873	.712	.478	.031	.627	.548	.619	1.125
Time Before Export (Years)								
0–2	53.8	53.9	16.8	73.9	69.6	13.0	48.0	54.1
3–10	50.6	47.7	19.4	73.3	53.3	20.0	62.6	43.8
11–100	54.5	52.9	16.5	68.9	58.6	10.3	56.4	45.4
F-value	.129	.333	.138	.087	.559	.385	1.531	1.284

The next issue addressed is the differences among the groups of firms in terms of the geographic and psychic market coverage. Table 8 presents the results. An examination of the results reveals no significant relationship between a firm's year of establishment or the first year of exporting and the geographic or psychic distance to the most important market. This result is consistent for all three national samples. In the samples from both Norway and France, it was found that

Table 6.
Firm Classification
Versus Global Orientation
(France, n = 70)

Table 7.
Firm Classification
Versus Distribution

Table 8.
Classification of Firms
Versus Export Markets

	Norway (n = 335)			France (n = 70)			Denmark (n = 272)	
	Geographic Distance	Cultural Distance	Number of Countries	Geographic Distance	Cultural Distance	Number of Countries	Geographic Distance	Cultural Distance
Year of Establishment								
1800–1975	2.05	1.91	11.5	1.46	1.92	15.5	1.44	1.88
1976–89	2.23	1.98	11.5	1.80	2.20	12.3	1.33	1.83
1990–98	2.22	1.96	8.2	1.71	1.92	9.6	1.27	2.00
F-value	.857	.153	1.542	.661	.728	.853	1.450	.455
First Year of Exporting								
1800–1975	2.24	2.03	14.5	1.43	1.86	26.3	1.47	1.95
1976–89	2.10	1.93	10.6	1.69	2.26	16.3	1.32	1.77
1990–98	2.02	1.84	7.3	1.63	1.91	8.12	1.26	1.84
F-value	.947	.996	8.980***	.166	1.135	7.933**	1.114	1.615
Time Before Export (Years)								
0–2	2.35	2.16	13.1	1.60	2.05	13.0	1.43	2.01
3–10	2.08	1.82	11.7	1.94	2.29	11.5	1.21	1.76
11–100	1.96	1.81	8.8	1.46	1.89	13.9	1.44	1.80
F-value	3.533*	4.158*	3.481*	1.213	.847	.152	1.089	2.349

* $p < .05$.
** $p < .01$.
*** $p < .001$.

firms that had been exporting for the longest period of time exported to more nations than did firms that began exporting later. In Denmark, the questionnaire did not include the question about the number of countries to which a firm exports. In Norway, the firms that began exporting soon after establishment exported to the most distant markets in terms of psychic and geographic distance, and these firms were found to export to a greater number of countries. No such differences were found in the samples from France and Denmark.

DISCUSSION

Table 9 summarizes the results presented in the study. It should be noted that with regard to global orientation, one weak significant relationship was found that was contrary to the hypotheses (year of establishment in France), but another relation supported the hypotheses (first year of exporting in Norway). Because 22 of 24 relations are nonsignificant and the other two are in different directions, a conclusion of no differences is recorded in Table 9 for the interaction of global orientation with year of establishment and first year of exporting. Table 9 indicates whether the stage models are supported or whether the results indicate that the most important differences are linked to the short time period from establishment to exporting (“BG supported”). This notation is also used when the most recently established or new exporters significantly differ from older firms and exporters, contrary to the stage models’ expectations.

We expected to find gradual development in international activity with regard to export intensity, distribution, distance to markets served, number of countries, and global orientation.

	Norway	France	Denmark
Export Intensity			
Year of establishment	—	BG supported	—
First year of exporting	— ^a	—	— ^a
Time before export	BG supported	BG supported	BG supported
Global Orientation			
Year of establishment	—	—	n.i.
First year of exporting	—	—	n.i.
Time before export	BG supported	—	n.i.
Distribution			
Year of establishment	—	—	—
First year of exporting	—	—	—
Time before export	—	—	—
Export Markets (Distance)			
Year of establishment	—	—	—
First year of exporting	—	—	—
Time before export	BG supported	—	—
Export Markets (Number)			
Year of establishment	—	—	n.i.
First year of exporting	Stage model supported	Stage model supported	n.i.
Time before export	BG supported	—	n.i.

^aComment in text.

Notes: BG = influence of year of establishment/born global behavior, — = no significant relation, n.i. = not included in this national survey.

Table 9.
Summary of Results

Examining the emerging pattern, we found no relationship between the firms' year of foundation and export intensity, global orientation, distribution, psychic or geographic market distance, or the number of markets served. These results were consistent in all three countries included in this study. The first year of exporting had no significant influence on global orientation, distribution, or distance to export markets. Higher export intensity was found among the old exporting firms. As discussed in the "Results" section, this is because some of the older firms began exporting late, which effectively lowered the average representation of firms that began exporting later. One result in accordance with the stage models did occur: Firms that had exported for a long period of time exported to a larger number of countries than did newly established exporting firms.

The third classification of firms was based on the time between establishment and the first export involvement. Considerable differences were identified. Firms that began exporting within two years of establishment had a significantly higher export share than did the other firms in all three nations. In the Norwegian sample, managers in firms that began exporting soon after establishment were found to have a stronger global orientation in terms of vision, proactiveness, and responsiveness than did managers in firms that had more time between establishment and export activity commencement. Also, these firms had a greater degree of export activity in the more geographically and psychically distant markets

and exported to a greater number of markets. These relationships were not found in the sample from France. It should be noted that time-dependent development in the distribution type did not emerge. In total, these results indicate that a firm's export involvement is influenced by the period of time between establishment and the commencement of exporting, and this time period is more important than the firm's year of establishment or first year of exporting.

These results are not consistent with the premises of the stage models. However, Johanson and Vahlne (1990) define three situations in which the process would not necessarily occur in small steps: focusing resources, environmental stability, and experience from similar markets. In these authors' view, firms having considerable resources, operating in stable environments, or having experience from similar markets would have the opportunity to leapfrog several stages. There is no reason to expect that the firms included in this study would suit these conditions. The median for the number of employees is 39, 26, and 18 in Denmark, Norway, and France, respectively. Consequently, it is not likely that considerable resources are an explanation why they do not behave as expected in the process model. Many of these small exporters use leading-edge technology; in such settings, the environment may be expected to undergo rapid changes. Furthermore, it is not likely that experience from similar markets should be more widespread among the firms in these three samples than in other exporting firms. This means that the exceptions presented by Johanson and Vahlne (1990) do not seem to explain the results observed.

IMPLICATIONS

Implications for Public Policy

The results presented in this study have several important implications for public policy, management, and further research.

In most European countries, government considers it important to stimulate and increase exports. This is because of balance of payment considerations, employment, and economic growth. Because most firms in many nations are small, stimulating and developing the export involvement of these small firms has received considerable attention. This has driven the establishment of export promotion or export development programs. The Norwegian Export Council, founded by the trade department, has worked with a small and medium-sized enterprise export program throughout the 1990s, which involves a large number of firms. An examination of the content and focus of this program shows that the focus is small and medium-sized established (old) firms, not newly established firms. On the basis of the results of our study, the Norwegian small and medium-sized enterprise export program is targeting a group of firms with limited export potential—old firms with no or little export experience. It seems that the most no-

table export potential is found among old firms with strong export involvement, and many newly established exporting firms also show promise. In both Norway and Denmark, this study is part of activities sponsored by the national research foundations. As a part of these projects, information related to the results is distributed and presented in various manners. This study's most important contribution to public policy may be the development of knowledge regarding the importance of export activity by newly established firms, which underlines the need for the inclusion of this group of firms in the developing public programs. Implicitly, these results also suggest that the establishment of new firms with international marketing potential is important for the export development in a nation, suggesting a need for coordination between public export development and business start-up programs.

At the firm level, managers are facing different situations depending on the type of firm in which they work. Managers in old firms with strong international involvement should take note that they are increasingly competing against newly established, highly specialized, and aggressive firms. The managers of the old exporting firms should be especially focused on preserving their firms' competitiveness, because Moen's (1999) results suggest that many firms gradually lose their technological competitiveness as they grow older and larger. Furthermore, it seems that many old firms are more reluctant than younger firms to use new marketing tools, such as information and communication technology (Knight 1997). To develop competitiveness consistently and to avoid acting too conservatively in terms of using new technology are therefore some of the most important tasks for managers in these firms.

The challenges for the managers of older firms with limited export involvement are different and are likely to be even more difficult. It seems that many of these firms are unable to compete successfully in international markets. This may be due to a lack of competitive products, the firm's competencies, and an unwillingness to commit resources to the export venture. The managers in these firms should heed three important points: First, they need to examine the firm's international competitiveness, not least regarding the products offered and the technology used. Developing the competitive advantages needed for export success should be a critical management responsibility. Second, the firm should target selected market segments to focus its resources. Third, management commitment is important, especially in developing the international orientation of employees. If the implications of our results are taken to the extreme, old nonexporting firms trying to engage in international markets may find that setting up a special export project away from the basic organization may be necessary in order to develop a successful export venture independent of the existing organization's orientation and culture. A new firm with little or

Implications for Managers

no export activities should be aware that it may be more and more difficult to manage an export venture the longer the firm operates with only limited export sales.

New firms with high international ambitions need access to external funding for their export ventures, which implies that access to capital from different sources may be more important for them than for any other group of firms. Moen (2000) shows that a consistent niche focus strategy has a significant, positive impact on the export performance of small firms. For small firms with limited resources, targeting homogeneous market segments with standardized products, as recommended by Jolly, Alahuhta, and Jeannet (1992), will be advantageous in that it reduces the resources needed. For small exporting software firms, Alajoutsijarvi, Mannerma, and Tikkanen (2000, p. 157) state that a critical endeavor is "to identify actions which reduced the uncertainty and risks perceived by foreign customers." For many small firms, development of close relations to established firms in their targeted markets will be advantageous for reasons of market access and the reduction of customer uncertainty.

For all firms, the necessity of having a global orientation when they develop new products should be stressed. Li (1999), focusing on U.S. software firms, finds that the interface is strong among marketing, new product research and development processes, and new product performance in international markets. The results presented in our study underscore the importance of firms having a global orientation, particularly when firms in the establishment phase are developing their first product generation.

Implications for Research

The results presented in this study have important implications for research. It should be noted that all firms included in this study were small and medium sized. It is possible that these firms established the type of distribution most often used within their industrial sector when they began exporting. Consequently, agents in several markets may be able to handle considerable sales growth, which makes it unnecessary for the firm to change the type of distribution used. A distribution development according to the stage models would occur only if the firm had grown much larger, reaching a size not included in this study. Following this argument, most small and medium-sized firms do not develop into larger firms, which implies that the stage models have limited validity for these firms. The situation may be different for large firms, as is illustrated by the case studies that form the basis for the development of the Uppsala model that Johanson and Vahlne (1977) present. Overseas production and manufacturing may still be expected to occur primarily among larger firms with prior international engagement and experience; this implies that some gradual development still exists.

Another of this study's implications involves the necessity for further empirical studies of the international involvement of firms and the development of better models and theories to explain the real behavior of the firms. The need for such model development has been discussed by Knight and Cavusgil (1996) and McDougall, Shane, and Oviatt (1994). Furthermore, most empirical studies in the field of international marketing treat firms as one homogeneous group, as described by Zou and Stan (1998). There may be different key performance factors for the newly established, highly involved exporters than for the larger, older, highly involved exporters and old firms with limited export sales. Another important issue for research is the investigation of whether one general theory is able to explain the export behavior of firms. It is possible that firms operating in their home market for a long time before entering international markets may follow a behavioral pattern in congruence with the stage models, but new or modified theories should be applied to newly established exporting firms.

Some of the main findings of this study are as follows:

1. In Norway, France, and Denmark, 38.8%, 34.3%, and 30.7% of the exporting firms commenced their export activities within two years of establishment. This means that there are large numbers of newly established exporting firms.
2. Three of four of these firms that began exporting within two years of establishment had an export share higher than 25%.
3. The time period between a firm's establishment and first year of exporting seems to be important. It seems that the future export involvement of the firm is influenced to a large extent by its behavior shortly after establishment.
4. The empirical results question the concept of a general, gradual international process occurring in various stages among the firms included in the study.
5. It may be that firms' development of resources in order to be competitive in international markets is the key issue and that the basic resources and competencies of a firm are determined within the establishment phase.
6. For managers, the challenges differ depending on the degree of international involvement and the age of the firm.

However different the Uppsala and the innovation-related internationalization models are, both describe a gradual development pattern of the internationalization process. Several studies have questioned these models, criticizing their limited ability to explain the phenomena of newly established firms with strong international involvement (Aspelund and Moen 2001; Oviatt and McDougall 1994). This study includes both newly established and older small and medium-sized exporting firms from Norway, France, and Denmark. It

CONCLUSIONS

does not include the preexport phase or the development of operation type (foreign direct investment), but the results indicate that the phenomenon of a gradual development among small and medium-sized exporting firms may be questioned.

The stage models have had a considerable impact on the field of international marketing for nearly three decades. Perhaps the reason for the strength and acceptance of this stage perspective is that several of these studies were well written and easy to understand and provided the opportunity for marketers to structure teaching and research in a manner that has been welcomed. It has been easy to find examples of individual firms that fit this gradual development model. Although firms that follow this incremental development pattern may still exist, the normal pattern may be different in the new millennium. It is possible that a new situation now exists in which firms either will be established with the products, competencies, orientation, and resources to successfully compete in international markets or will be established primarily with a home-market focus. For firms that are not established with a strong international focus, it may be difficult to develop later into high-involvement exporters, as Moen (2002) argues. It is possible, however, that these firms that do not start exporting shortly after establishment will develop more in line with the stage models of internationalization. To understand what might be an important change in the export behavior of small and medium-sized firms, further research is recommended to investigate the development of the international activities of both newly established and older firms.

REFERENCES

- Aaby, Nils-Erik and S.F. Slater (1989), "Management Influences on Export Performance: A Review of the Empirical Literature 1978–1988," *International Marketing Review*, 6 (4), 7–26.
- Alajoutsijarvi, Kimmo, K. Mannermaa, and H. Tikkanen (2000), "Customer Relationships and the Small Software Firm: A Framework for Understanding Challenges Faced in Marketing," *Information & Management*, 37 (3), 153–59.
- Andersen, Otto (1993), "On the Internationalization Process of Firms: A Critical Analysis," *Journal of International Business Studies*, 24 (Second Quarter), 209–31.
- Aspelund, Arild and Ø. Moen (2001), "A Generation Perspective on Small Firms Internationalization—from Traditional Exporters and Flexible Specialists to Born Globals," in *Advances in International Marketing: Reassessing the Internationalization of the Firm*, Vol. 11, C.A. Axinn and P. Matthyssens, eds. Oxford, UK: JAI Press, 197–226.
- Bell, Jim (1995), "The Internationalization of Small Computer Software Firms: A Further Challenge to 'Stage' Theories," *European Journal of Marketing*, 29 (8), 60–75.
- Bilkey, Warren J. and G. Tesar (1977), "The Export Behaviour of Smaller-Sized Wisconsin Manufacturing Firms," *Journal of International Business Studies*, 8 (Spring/Summer), 93–98.

- Brush, Candida G. (1992), "Factors Motivating Small Companies to Internationalize: The Effect of Firm Age," doctoral dissertation, School of Management, Boston University.
- Cavusgil, S. Tamer (1980), "On the Internationalization Process of Firms," *European Research*, 8 (November), 273–81.
- Christensen, P.R. and L. Jacobsen (1996), "The Role of Export in New Business Formation," paper presented at RENT X Conference on Entrepreneurship and SMEs, Brussels, Belgium (November).
- Czinkota, Michael R. (1982), *Export Development Strategies: U.S. Promotion Policy*. New York: Praeger.
- Hedlund, Gunnar and Å. Kverneland (1985), "Are Strategies for Foreign Market Entry Changing? The Case of Swedish Investment in Japan," *International Studies of Management and Organization*, 15 (2), 41–59.
- Hofstede, Geert H. (1980), *Culture's Consequences: International Differences in Work Related Values*. Beverly Hills, CA: Sage Publications.
- Holzmüller, H.H. and H. Kasper (1991), "On a Theory of Export Performance: Personal and Organizational Determinants of Export Trade Activities Observed in Small and Medium-Sized Firms," *Management International Review*, 31 (Special Issue), 45–70.
- and B. Stöttinger (1996), "Structural Modeling of Success Factors in Exporting: Cross-Validation and Further Development of an Export Performance Model," *Journal of International Marketing*, 4 (2), 29–55.
- Johanson, Jan and J.-E. Vahlne (1977), "The Internationalization Process of the Firm: A Model of Knowledge Development and Increasing Foreign Market Commitments," *Journal of International Business Studies*, 8 (Spring/Summer), 23–32.
- and ——— (1990), "The Mechanism of Internationalization," *International Marketing Review*, 7 (4), 11–24.
- Jolly, Vijay K., M. Alahuhta, and J.-P. Jeannet (1992), "Challenging the Incumbents: How High Technology Start-Ups Compete Globally," *Journal of Strategic Change*, 1 (April), 71–82.
- Knight, Gary A. (1997), "Emerging Paradigm for International Marketing: The Born Global Firm," doctoral dissertation, Department of Marketing and Supply Chain Management, Michigan State University.
- and S. Tamer Cavusgil (1996), "The Born Global Firm: A Challenge to Traditional Internationalization Theory," in *Advances in International Marketing*, Vol. 8, S. Tamer Cavusgil, ed. Greenwich, CT: JAI Press, 11–26.
- Li, Tiger (1999), "The Effect of Marketing–R&D Interface on New Product Export Performance: A Contingency Analysis," *Journal of International Marketing*, 7 (1), 10–33.
- Lindmark, L., P.R. Christensen, H. Eskelinen, B. Forsström, O.J. Sørensen, and E. Vatn (1994), *Småföretagens internationalisering—en jämförande studie*. Stockholm, Sweden: Nord REFO.

THE AUTHORS

Øystein Moen is an associate professor, Department of Industrial Economics and Technology Management, Norwegian University of Science and Technology.

Per Servais is an associate professor, Department of Marketing, University of Southern Denmark.

- Madsen, Tage K. and P. Servais (1997), "The Internationalization of Born Globals: An Evolutionary Process?" *International Business Review*, 6 (6), 561–83.
- McDougall, Patricia P. and B.M. Oviatt (1996), "New Venture Internationalization, Strategic Change, and Performance: A Follow-Up Study," *Journal of Business Venturing*, 11 (1), 23–40.
- , S. Shane, and B.M. Oviatt (1994), "Explaining the Formation of International New Ventures: The Limits of Theories from International Business Research," *Journal of Business Venturing*, 9 (6), 469–87.
- Moen, Øystein (1999), "The Relationship Between Firm Size, Competitive Advantages and Export Performance Revisited," *International Small Business Journal*, 18 (1), 53–71.
- (2000), "SMEs and International Marketing: Investigating the Differences in Export Strategy Between Firms of Different Size," *Journal of Global Marketing*, 13 (4), 7–28.
- (2002), "The Born Globals: A New Generation of Small European Exporters," *International Marketing Review*, (forthcoming).
- Oviatt, Benjamin M. and P.P. McDougall (1994), "Toward a Theory of International New Ventures," *Journal of International Business Studies*, 25 (1), 45–64.
- Preece, Stephen B., G. Miles, and M.C. Baetz (1999), "Explaining the International Intensity and Global Diversity of Early-Stage Technology-Based Firms," *Journal of Business Venturing*, 14 (3), 259–81.
- Rennie, Michael W. (1993), "Global Competitiveness: Born Global," *The McKinsey Quarterly*, 4, 45–52.
- Sengenberger, W., G. Loveman, and M. Piore (1990), *The Reemergence of Small Enterprises: Industrial Restructuring in Industrial Countries*. Geneva, Switzerland: International Institute for Labor Studies.
- Stöttinger, Barbara and Bodo B. Schlegelmilch (1998), "Explaining Export Development Through Psychic Distance: Enlightening or Elusive?" *International Business Review*, 15 (5), 357–72.
- Turnbull, Peter W. (1987), "A Challenge to the Stages Theory of the Internationalization Process," in *Managing Export Entry and Expansion*, Philip J. Rosson and Stan D. Reid, eds. New York: Praeger, 21–40.
- Zou, Shaoming and S. Stan (1998), "The Determinants of Export Performance: A Review of the Empirical Literature Between 1987 and 1997," *International Marketing Review*, 15 (5), 333–56.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.